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FISCAL IMPACT STATEMENT

LS 7062

BILL NUMBER: SB 442

NOTE PREPARED: Dec 31, 2010

BILL AMENDED:

SUBJECT: School Operating Levy Referendum.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that during the period beginning with the adoption of a resolution by a school corporation to place an operating levy referendum on the ballot and ending at the close of the polls on the day on which the referendum is submitted to the voters, the school corporation may not promote a position on the referendum by taking certain actions.

The bill specifies that a person or an organization that has a contract or arrangement with a school corporation for the use of any of the school corporation's facilities may not spend any money to promote a position on such a referendum.

The bill specifies that an elected or appointed school board member or a school corporation superintendent may at any time: (1) personally advocate for or against a position on such a referendum; or (2) discuss the referendum with any individual, group, or organization or personally advocate for or against a position on a referendum before any individual, group, or organization; so long as it is not done by using public funds.

Effective Date: July 1, 2011.

Explanation of State Expenditures: The provision that does not allow a school to promote a position on the referendum by taking certain actions could reduce school expenditures. The disallowed actions include:

1. Allowing school facilities or equipment to be used for public relations purposes to promote the referendum unless equal access is given to persons opposing the referendum.
2. Making expenditures from funds controlled by the corporation to promote the referendum.
3. Using employees to promote the referendum during normal working hours or paid overtime, or otherwise compelling employees to promote the referendum.

4. Promote the referendum by:
 - a. Using students to transport written materials in promotion of a position; or
 - b. Including a statement within other communications sent to a student's residence.

The provision allowing a school board member or superintendent to advocate a position and discuss the referendum with individuals or groups so long as it is not done with public funds should have no fiscal impact.

Explanation of State Revenues: *Background:* Since 1976, about 78 operating referendums have been placed on ballots. About 34 (44%) have passed, and 44 (56%) have failed. Currently, about 11 schools have operating referendums as separate levies and the other 23 schools had their General Fund levies increased. During CY 2010, 13 operating referendums were on the ballot with 4 (30%) passing, and 9 (70%) failing. School Referendum Fund levies are estimated to be about \$30 M in CY 2011.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local Schools.

Information Sources:

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